

By: Grusendorf, Marchant, Wilson, Hill,
Heflin, et al.

H.B. No. 5

Substitute the following for H.B. No. 5:

By: Griggs

C.S.H.B. No. 5

A BILL TO BE ENTITLED

AN ACT

relating to public school finance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter E, Chapter 42, Education Code, is amended by adding Section 42.2516 to read as follows:

Sec. 42.2516. ADDITIONAL AID FOR 2003-2004 AND 2004-2005 SCHOOL YEARS. (a) For the 2003-2004 school year, in addition to any other state aid to which a school district is entitled under this chapter, a district is entitled to an amount equal to the product of the number of students in average daily attendance in the district multiplied by \$100.

(b) For the 2004-2005 school year, in addition to any other state aid to which a school district is entitled under this chapter, a district is entitled to an amount equal to the product of the number of students in average daily attendance in the district multiplied by \$200.

(c) A school district that is otherwise ineligible for state aid under this chapter is entitled to state aid under this section. A school district that is required to take action under Chapter 41 to reduce its wealth per student to the equalized wealth level is entitled to:

(1) a credit, in the amount of the state aid to which the district is entitled under this section, against the total amount required under Section 41.093 for the district to purchase

1 attendance credits; and

2 (2) if the amount of state aid to which the district is
3 entitled under this section exceeds the total amount required under
4 Section 41.093 for the district to purchase sufficient attendance
5 credits to reduce its wealth per student to the equalized wealth
6 level, state aid in an amount equal to the difference between the
7 state aid to which the district is entitled under this section and
8 the credit applied under Subdivision (1).

9 SECTION 2. Section 42.253(b), Education Code, is amended to
10 read as follows:

11 (b) Except as provided by this subsection, the commissioner
12 shall base the determinations under Subsection (a) on the estimates
13 provided to the legislature under Section 42.254, or, if the
14 General Appropriations Act provides estimates for that purpose, on
15 the estimates provided under that Act, for each school district for
16 each school year. The commissioner shall reduce the entitlement of
17 each district that has a final taxable value of property [~~for the~~
18 ~~second year of a state fiscal biennium~~] that is higher than the
19 estimate under Section 42.254 or the General Appropriations Act, as
20 applicable. A reduction under this subsection may not reduce the
21 district's entitlement below the amount to which it is entitled at
22 its actual taxable value of property. [~~The sum of the reductions~~
23 ~~under this subsection may not be greater than the amount necessary~~
24 ~~to fully fund the entitlement of each district.~~]

25 SECTION 3. Section 42.259, Education Code, is amended by
26 adding Subsection (g) to read as follows:

27 (g) Notwithstanding Subsections (c)(8) and (d)(3), the

1 payment from the foundation school fund for August 2005 shall be
2 made on September 1, 2005.

3 SECTION 4. Effective September 30, 2005, Chapter 4,
4 Education Code, is amended by adding Section 4.003 to read as
5 follows:

6 Sec. 4.003. STATE RESPONSIBILITY FOR PROVISION OF PUBLIC
7 EDUCATION. It is the policy of this state that the provision of
8 public education is a state responsibility and that a thorough and
9 efficient system be provided and substantially financed through
10 state revenue sources so that each student enrolled in the public
11 school system shall have access to programs and services that are
12 appropriate to the student's educational needs and that are
13 substantially equal to those available to any similar student,
14 notwithstanding varying local economic factors.

15 SECTION 5. Effective September 30, 2005, the following
16 provisions of the Education Code are repealed:

- 17 (1) Chapters 41, 42, and 46; and
18 (2) Section 45.002.

19 SECTION 6. (a) The repeal by Section 5 of this Act of
20 Section 45.002, Education Code, does not impair any obligation
21 created by the issuance or execution of any lawful agreement or
22 evidence of indebtedness before September 30, 2005, that matures
23 after that date and that is payable from the levy and collection of
24 a maintenance tax under that section or another law, and an
25 independent school district may, on and after September 30, 2005,
26 levy, assess, and collect a maintenance tax, at a rate not greater
27 than the rate required to pay such obligations but only for so long

1 as those obligations remain outstanding and unpaid.

2 (b) Notwithstanding the repeal by Section 5 of this Act of
3 Chapters 41, 42, and 46, Education Code, and Section 45.002,
4 Education Code, a school district that, before September 30, 2005,
5 issues bonds, notes, or other evidences of indebtedness under
6 Chapter 45, Education Code, or other applicable law or enters into a
7 lease-purchase agreement under Subchapter A, Chapter 271, Local
8 Government Code, may continue, before, on, and after September 30,
9 2005, to receive state assistance with respect to such payments to
10 the same extent the district would have been entitled to receive the
11 assistance under Chapter 42 or 46, Education Code, as those
12 chapters existed before repeal by this Act, and the former law is
13 continued in effect for that purpose. The commissioner of
14 education may adopt rules to implement this subsection.

15 (c) The repeal by Section 5 of this Act of Chapters 41, 42,
16 and 46, Education Code, and Section 45.002, Education Code, does
17 not limit, modify, or eliminate the authority of a school district
18 to:

19 (1) issue or execute bonds, public securities, or
20 other obligations under Chapter 45, Education Code, or other law,
21 either before, on, or after September 30, 2005; or

22 (2) levy, assess, and collect, before, on, or after
23 September 30, 2005, ad valorem taxes at the full rate and in the
24 full amount authorized by Section 45.002, Education Code, and
25 necessary to pay the bonds, public securities, or other obligations
26 when due and payable.

27 (d) Before September 30, 2005, the commissioner of

1 education may not refuse to grant assistance to a school district
2 under Chapter 42 or 46, Education Code, in connection with public
3 securities, lease-purchase agreements, credit agreements, or other
4 obligations, including those described by Subchapter A, Chapter
5 271, Local Government Code, on the basis that the district's
6 authority to levy a maintenance tax is repealed effective September
7 30, 2005.

8 SECTION 7. Except as provided by Section 4 or 5 of this Act,
9 this Act takes effect September 1, 2003.